SOUTHERN ILLINOIS business bulletin

THERN ILLINOIS UNIVERSITY CARBONDALE, ILLINOIS
7 FALL, 1957 NO. 4

A. O. SMITH Is One of Many New Kankakee Plants

in this issue . . .

ACROSS THE NATION CRY IS HEARD: "INDUSTRY, COME TO OUR TOWN"

By Henry J. Rehn

Throughout this country, towns, cities, states and even larger areas are trying to attract new enterprises. Some of them go to extraordinary lengths setting up committees, boards, and agencies. These often send out emissaries to sell an enterprise on the advantage of a particular location, sometimes offering substantial inducements.

In the July, 1957, issue of *Advanced Management*, Henry B. DuPont speaks for himself and the DuPont Company when he writes: "We are less impressed by this sort of inducement than by the atmosphere and attitudes of people toward industry . . . our feeling is that if we associate ourselves with a community, we should bear our share of its operating expenses." He adds: "I assure you that industry is not looking for special advantages. Yet, by the same token, industry feels that it should not be exposed to special penalties, special harassments nor special burdens."

In seeking new industry, you and I see in them job opportunities, more business in the community, more money. We must also recognize that it means more people to share in this added wealth, more expenses in terms of schools and other facilities. As an example of estimates of what an industry means to a community, the *Colorado Business Review* of October, 1956, quotes J. Stanley Hoddy to the effect that a new industry employing 150 people will bring with it an annual payroll of more than $400,000 for the industry itself. Another 115 people will be employed in other jobs in town, earning $308,000. Ten additional school rooms, twelve additional stores, and twelve additional professional offices will be needed. Two hundred more automobiles will be bought. All of this will add more than $2 million to the community's tax valuation, an equal sum to annual trade, $400,000 to bank deposits, and $600,000 to the farm products market.

Industry Can Be Handicap

In spite of all a new industry can contribute, the fact remains that every industry is not suited to your town or my town. An industry well located, an industry that finds here a genuine advantage, can be a great asset. Not well located, it can be a handicap not only to itself but to the community. It takes a lot of subsidy to make up for the lack of a natural advantage. Buying an industry if you cannot offer it a natural advantage is expensive business. On the other hand, you generally do not have to buy the industry if it is alert and intelligent enough to see the natural advantage.

The point I am trying to make, therefore, is that you seek to find your unique natural advantages. If you can enhance these advantages through action of your own, so much the better. If you can remov some of the handicaps or disadvantages of yo community, again so much the better.

Find out what industry generally seeks when is trying to find a desirable community. Ma check lists have appeared in the last few years such publications as *Industrial Development*, Oct ber, 1956; *American City*, February, 195 Fortune, 1956; *Arizona Business and Econom Review*, March, 1956; *Saturday Evening Po* March 2, 1957; and *Pennsylvania Business Surve* June, 1957. To make itself attractive, a communi is concerned not only with those things that i dustry itself wants but also in providing schoo churches, recreational facilities, etc., desired by t staff of the industry—those people who have to li in the community.

After a community sets its house in order make itself as attractive as possible, determines special advantages, and learns what industries c profit from these advantages, then the advantag should be made known to those industries, givi them full access to the information and a chance check and verify it with your friendly aid. Do n expect them to take your story without checki it. Don't resent the checking; expect it, welco it, and stand ready to give what help you can.

Dr. Rehn is dean of the School of Business and Industry, Southern Illinois University.

AREA ADVANTAGES ADVERTISED

U.S. News and World Report and the *Wall Str Journal* are among the publications which recen carried large advertisements on Southern Illin placed by the Illinois Division of Industrial Pla ning and Development.

The copy in the *U.S. News and World Report* fu page ad read in part: "There is a growing dynam spirit in the many progressive communities Southern Illinois that is working to make this a the future 'Ruhr Valley' of Mid-America! A your new plant can profit by becoming a part this highly favorable industrial area."

Other ads pinpoint particular communities a describe their special advantages for industry.

Southern Illinois Business Bulletin **Fall, 195 Vol. 7 No.**

The *Southern Illinois Business Bulletin* is publishe quarterly by the School of Business, Southern Illino University, Carbondale. Second class mail privileg authorized at Carbondale, Illinois. Signed articles do n necessarily reflect the views of the *Business Bulleti* the School of Business, or Southern Illinois Universit

Subscription is free

President of the University ..... D. W. Morr
Dean of the School of Business ..... H. J. Reh
Editors ..... Edmund C. Hasse
Willmore Hastings
Editorial Board ..... Henry J. Rehn
Edmund C. Hasse
Milton T. Edelman
Wilmore Hastings

ANKAKEE'S INDUSTRIAL BOOM RESULT OF REALISTIC PLANNING

By Ed Hasse

In the past seventeen years, seventeen industries ve established new plants in Kankakee. They have not been shoestring enterprises or le-in-the-wall operations but firms like A. O. ith, General Foods, General Mills, Armour boratories, Armstrong Cork, the Borden Com- ny, and Simoniz.

Manufacturing now provides jobs for more than 000 persons in an area of less than 50,000 pulation which depended primarily on the in- me of farmers not so long ago. Retail employ- nt has more than doubled since World War II merchants opened new stores or expanded their siness to meet growing demands for goods and vices. The city of Kankakee has grown not only size but in stature, as evidenced by new streets, ools, churches, swimming pool, and other com- nity facilities, costing many millions of dollars.

The industrial pattern here is practically ideal. urteen of the twenty basic industry classifications the U.S. Census of Manufacturers are represented production in Kankakee. Employment is not ncentrated in any single type of industry, or in one plant. The balance of seasonal employment such that peak periods in one factory absorb the nporary layoffs of the plant across the road. This ance and other healthy economic conditions ble the *average* Kankakee worker to pull down 300 a year.

Industrial development has boosted the popula- n of Greater Kankakee, including the contiguous mmunities of Bradley and Bourbonnais, from 000 in 1940 to somewhere around 45,000 today. Assessed valuation has increased by some $50 lion. Retail sales in Kankakee alone amounted to 0 million last year, compared with $20 million 1942. Deposits of banks and building and loan ociations have grown from less than $20 million $75 million.

t wasn't just luck that made these things happen, n though Kankakee has some excellent industrial rantages. The city is located on three rail trunk s, three federal highways, and four state routes y fifty-four miles south of Chicago. The local er company can pump up to twelve million lons a day from the Kankakee River which flows ough the town.

Yet few of Kankakee's industries are able to find ir raw materials in the immediate area. Some thern Illinois towns one-fourth as large have a ater supply of currently available labor as an ucement to industry. There are a number of lwestern cities with comparable resources and nsportation advantages.

Why, then, has Kankakee been able to get such isproportionate share of industrial wealth?

ames H. Stupka, chairman of the Illinois Divi- n of Industrial Planning and Development and

Downtown Kankakee

president of a successful business in Kankakee, likes to answer that question with an illustration of how one large company settled on the town.

The firm carefully surveyed a number of communities in eight states, gradually narrowing down its focus until three cities were left in the running. The next step was to place "scouts" on street corners where they stood for three days looking into the faces of passers-by. Try this technique in any town for three days and you'll be pretty safe in guessing whether or not local residents have the kind of drives and mental attitudes an industrialist wants in his working force.

After this experiment, the firm shopping for a new location put its agents in automobiles and had them inspect the alleys of the three towns under consideration. The pride that Kankakee residents took in keeping their backyards attractive proved to be the final assurance the company needed on its decision to move there.

Human Factors All-Important

To follow this anecdote with the conclusion that Kankakee's industrial progress has depended on its people may sound like an oversimplification. Admittedly, too, it is impossible to establish a cause-and-effect relationship between intangible human qualities and some industries which came to Kankakee unsolicited and set up shop almost unnoticed.

Still, the human factor has been vitally important. Forthright, aggressive leaders were needed to promote Kankakee. People who lived off the farm and the farmers' earnings for many years had to be re-educated to the thinking of modern industry. They had to learn the importance of planning ahead so their community could keep pace with industrial expansion. They had to learn that industry is no panacea, that factory location is a give-and-take proposition for any town.

This form of education, Kankakee found, doesn't just come naturally. On the other hand, Kankakee wasn't getting anywhere before this learning process began to take root.

"For a long time we just sat back and waited," explained Jim Stupka, who was active in Kankakee's development efforts for many years before Governor Stratton named him to the Industrial Planning Commission. A few community leaders were doing their part, but they were operating without much local support.

"You've got to sell a town as a unit," Stupka said. "If the people as a whole aren't worried about getting new industry, any efforts in this direction are doomed to failure."

He pointed out that Kankakee residents had to be forcefully convinced of the need for more recreation, sewers, airports, and other costly facilities industry wanted.

"If you want factories bad enough, you have to spend this kind of money in the knowledge that it will come back to build your city," Stupka said. "A manufacturing plant isn't going to take an interest in a town if the people who live there don't seem to care about it."

The changes in attitudes at Kankakee have been demonstrated in an outstanding manner. The local Community Chest, which failed to meet its goals seven years in a row, now goes over consistently. Backers of a new Catholic hospital who asked Kankakee donors for $750,000 wound up with $900,000. A twenty-five-year city plan adopted in 1947 and calling for expensive capital additions is moving along on schedule; costs of drawing up the plan over a three-year period starting in 1944 were shared by the city, township, county, school board, and park board.

"Cities have to extend themselves in order to attract industry," said Burrell Small of the *Kankakee Daily Journal*. "If they are willing to invest money in schools and parks, it is an indication to industrialists that the people are awake, and they are happy with the place where they live."

During a period when city plan recommendations were costing the community $11 million, industries were investing something like $65 million in plants and equipment here!

No Giveaway Program

It is important to emphasize that Kankakee's spending program does not provide direct financial inducements to industry. There was one occasion when businessmen kicked in a small donation for a potentially good enterprise that was short of capital. In another instance, they raised $15,000 to buy a tract of land for an incoming firm. In every other case, industry paid its own way. Kankakee bought the improvements that make a town better, and new companies came in to share the tax burden.

Since 1940, Kankakee has paved thirty additional miles of streets in a four-square-mile area, doubled its water pumping capacity, laid six more miles of sewers, and increased the number of parks from

Armstrong Cork

nine to fifteen. Twenty-five persons have been adde to police and fire department payrolls. Nine mor public and parochial schools, including two junio high schools, have been constructed. Kankakee ha over two thousand more homes, two hundred mor retail establishments, thirteen more churches.

Other facilities added since prewar days includ nearly a dozen off-street parking areas, a mercur vapor lighting system in the business section, twelve-thousand-square-foot swimming pool, and belt highway running around the east edge of th city to prevent congestion of through traffic dow town.

These investments were cautiously guarded i Kankakee's industrial development efforts. Town people who were footing the bill for physical im provements had the assurance that the Chamber Commerce and civic leaders were not chasin factories at random, but were concentrating on com panies which would be real assets to the communit Zoning laws recommended by the City Plan Com mission protected home owners from the encroach ment of industrial noise and traffic. Minimum build ing laws set standards which made new industri and residential units permanent and safe.

Sales campaigns were directed at substantial i dustries which could utilize available skills an provide an industrially balanced economy. Thi said one resident, has proved to be "the big payoff

Prior to World War II, most manufacturing Kankakee was in durable goods—machinery, tool castings, metal fabrication, and furniture. America Marietta, Florence Stove, and David Bradley Man facturing Works were among the companies Kankakee then and now. The 4,000 jobs created the area since the war are in factories producin other lines—chemicals, pharmaceuticals, clothin foods, and so forth.

When Kankakee went looking for plants, its sal pitch included an intelligently planned program f industrial progress. It didn't want any compani

hich would pollute the water supply, produce ex-ssive smoke, noise, or odors, or pay starvation ages. This candid approach, combined with Kan-kee's location advantages and a populace oriented industrial needs, became so widely heralded that veral big firms decided on the city before the hamber of Commerce had a chance to "sell" them. ith so much good fortune coming in a few years, ankakee can now be more selective than ever.

"It's nice to be in a position where you can turn wn industries," said Burrell Small. "Yet this is portant at all stages of a town's development be-use there are many industries which can do you ore harm than good in the long run."

William Kraus, division sales manager of the New rk Central's Kankakee Belt Route, said three dustries were discouraged from locating in Kan-kee during the past year because they weren't ght for the community. On the other hand, the raft Company will get a warm welcome when it cides to build on a 240-acre site it has purchased the vicinity.

C. A. Mueller, president of the City National nk, stresses that Kankakee doesn't simply sign a new industry and then forget about it.

"When a new firm comes in, we try to show our preciation by asking, 'What can we do to help u?' " Mueller said. "We want them to be satisfied d I think the companies we have today are more an satisfied with Kankakee."

How To Keep Industry

Each year, the town holds a picnic for industrial ecutives. There is a civic chorus, a symphony chestra, an art league, gun clubs, and a score of rvice and fraternal organizations to cater to the terests of personnel brought here by industry. at docks, picnic areas, golf courses, and other creational spots have been built up so that local plants can hold on to chemists, engineers, and other key employees.

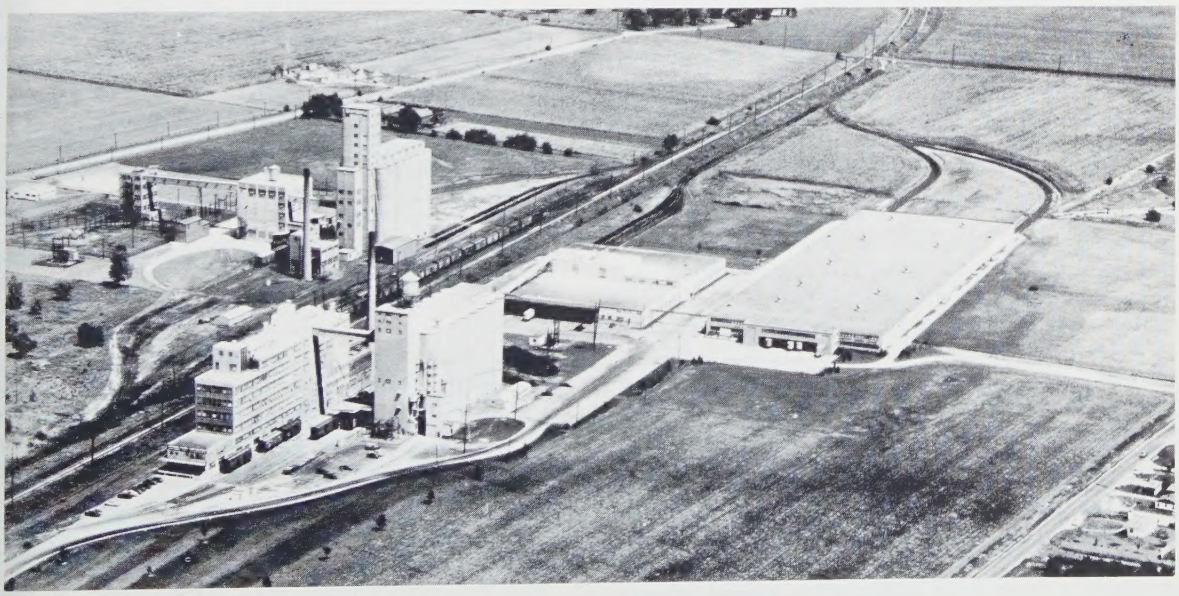
The vocational program in the high school is geared to the skills required in Kankakee factories; many students graduate right into good paying jobs with some of the nation's top firms like General Foods, which distributes products over a 1.2-million-square-mile area from Kankakee. The city also has a thriving Junior Achievement program in which boys and girls in the 11 to 19 age bracket form corporations to manufacture products like shoeshine kits and kitchen utensils and sell shares in their ventures to local business.

"This is not only an answer to juvenile problems, but it is a wonderful training ground for future office workers, mechanical staffs, and young executives who will be serving business and industry here," said retail merchant Norman Roski.

Kankakee has long since discovered that a progressive industrial plant has much more significance than its payroll. In exchange for new factory jobs, a town must be prepared to face some realistic problems that touch everyone from the kindergarten youngsters on up.

For example, a sizable plant may bring with it a number of supervisory employes and their families, or technicians, who will require housing. If homes are in short supply, it is a good bet that rents and property values will go up all along the line. These families will send their children to school at a cost to the community of perhaps $500 a year per student. It may be necessary to build and pay for new schools with bond issues or face the prospect of overcrowding classrooms to the point where effective teaching suffers.

(In Kankakee, taxes have gone up, good land sells for $1,200–$1,500 an acre, and it is tough to find a three-bedroom home for less than $16,000.



General Foods

Municipal Pool

The city plan of 1947 cited the need for 25 new subdivisions over a 25-year period.)

Large industries locating in one town will draw outside labor which may take job opportunities away from some local residents. Following in the wake of new factories will come chain stores and new shops which will put the established merchant in a much more competitive environment. City traffic and parking woes will be intensified, and there will be a heavier strain on available recreational resources.

"Any city that takes on a number of manufacturing plants in a short period as we have is bound to have growing pains," said Banker C. A. Mueller.

Kankakee's growing pains have been considerably less painful, however, than they might be in a city where industrial planning was not so deliberate and well-reasoned. Considering the rather limited geographical size of Greater Kankakee in contrast with recent population gains, it is surprising to find a free flow of traffic, ample parking space, and clean, modern shopping centers which are almost completely divorced from the area's industrial plants. The prediction is that Kankakee and Bourbonnais townships will have 51,000 population by 1970, but application of the city plan provisions should enable the area to assimilate the extra 5,000 or so people without much difficulty.

In Kankakee's carefully measured program of industrial growth, three important factors stand out by way of example to other areas. The first is effective, intelligent leadership—including Chamber of Commerce presidents like Stupka, banker Arthur Beckman, and County Board President George Luehrs, and men like dynamic Bill Kraus, who has been chairman of the Kankakee Industrial Committee for twenty-five years. The second is public understanding and acceptance of industry's requirements and goals. The third is the kind of comprehensive planning that will commend a town to industry and at the same time make industrial development a boon to a community instead of one large headache.

SOUTHERN ILLINOIS BRIEFS

Southern Illinois, Incorporated, reports that eleven new industries moved into the lower sixteen counties of Southern Illinois during 1956 and six others have established themselves in the same area so far this year.

———o———

New firms locating here last year were Chester Foundry, Chester; Decca Records, Pinckneyville; E. and E. Mine Service, Christopher; Paul Gaye, Incorporated, Zeigler; P. R. Mallory Vibrator Division, Du Quoin; Olin Mathieson Chemical Corporation's Dynamite Division and its Research and Development Division, Ordill; Permanent Homes, Incorporated, Ordill; Southern Manufacturing Company, Murphysboro; Sutfin Manufacturing, Metropolis; and Zip-well Corporation, West Frankfort.

Industries already signed up this year include Allied Chemical and Dye, Metropolis; Securit Manufacturing, and St. Charles Tool, Chester; Prelite Products, Pinckneyville; Eldorado Manufacturing Company, Eldorado; and Seymour Wallas and Company, Carterville.

Suntone Products agreed in early July to move into McLeansboro. Suntone, manufacturers of metal products, has signed a lease-purchase agreement on an existing factory building.

———o———

P. R. Mallory, Incorporated, which has its Vibrator Division at Du Quoin, has been admitted to trading on the New York Stock Exchange. The opening transaction was one thousand shares at $50½ per share.

———o———

The City of Brookport and the local Chamber of Commerce have purchased a site and begun construction of a sixty-by-ninety-foot industrial building with adequate room for expansion.

The project is being carried out with cash donations and volunteer labor.

———o———

Executive and general sales offices of the Babee-Tenda Corporation have been moved from Cleveland to a new building in Metropolis. The offices adjoin the company's ten-acre plant site near Fort Massac State Park.

Babee-Tenda is a subsidiary of the Metropolis Bending Company, now in its 54th year at Metropolis.

———o———

The Joan Claire Company plant at Benton has scheduled a plant expansion which will permit the firm to up its employment from 275 to about 400. The apparel manufacturing company will add 10,000 square feet of floor space to its present 20,000 square feet.

Employment of four hundred workers would hike the firm's annual payroll at Benton from $500,000 to about $750,000.

(Continued on page 12

EVELOPMENT PROGRAMS AIDED BY KEEPING ABREAST OF TRENDS

By R. Ralph Bedwell

Is your community keeping tab on statistics that e so vital to economic and industrial develop-ent?

Chambers of Commerce or similar local and re-onal groups should maintain a close watch on onomic trends so they will be constantly aware of w their area measures up to other localities. ear-to-year statistical records sometimes provide od selling points for one region over another. ey will also reveal sore spots which must be aled if a community or a county expects to realize ything like its full potential.

To illustrate the kind of statistics that are import-t and to indicate how comparisons can profitably made, a study was conducted recently in two inois counties. Wherever local statistical break-wns were made, they were posed alongside figures r the state as a whole so the counties could aluate themselves on the state as well as the re-onal level.

The two counties, deep in the heart of Southern inois, draw their main support from mining and riculture. There is a bare minimum of manufac-ring in County A and moderate manufacturing in unty B, along with the usual group of service sinesses and many small retail businesses in both unties. County A is quite comparable with its ighbor, County B, in that both exhibit a dual aracteristic of high density population and a dis-rsed urban concentration.

Mining

Since the economy of both counties is so closely ated to coal mining, the first statistics were drawn m this industry.

TABLE 1

RCENTAGE GAIN OR LOSS FOR MINES IN COUNTY A, COUNTY B, AND STATE OF ILLINOIS BETWEEN 1946 AND 1955

TIVITY	COUNTY A PER CENT	COUNTY B PER CENT	ILLINOIS PER CENT
nes shipping	–74	–28	–47
erage days worked	–43	0	–14
n employed	–70	9	61
nnage mined	–68.6	61	–28.3

From the above table, it is significant to note that unty A coal production as well as that for all nois is down in all categories. It is surprising that unty B is up in tonnage, payroll, and even in ys worked. Mining jobs dropped from 7,402 to 77 over the ten-year period. Fewer mines ship-g basically means fewer mines working, hence s payrolls, less spending, etc. The effect of mining the economy can be noted throughout much of the retail sales statistics, relief figures, and other factors that follow in this report. The prosperity of retail trade is tied in closely with purchasing power based upon income from mining payrolls. Residents of both counties derive about 25 per cent of their employment from mining.

Employment

A study of firms paying unemployment compensation tax in County A reveals a slight increase in wages, a decrease in the number of firms paying the tax and a decrease in employment. A decrease of firms, whether they are stores, manufacturers, etc., is normally a deterrent to an area and can create greater instability of economy.

TABLE 2

UNEMPLOYMENT COMPENSATION, COUNTY A, 1951–1955

YEAR	NUMBER OF ESTABLISHMENTS	PER CENT GAIN	WAGES	PER CENT GAIN	JANUARY EMPLOYMENT	PER CENT GAIN
1951	205	.0	$7,709,000	.0	9,161	.0
1952	184		6,231,000		7,462	
1953	172		9,785,000		7,228	
1954	168		8,475,000		6,117	
1955	180	–12.0	8,281,000	7.5	5,419	–41

To compare the above table with state figures reveals that Illinois wages went up 144 per cent during this 5-year period, the business establishments increased 10 per cent and employment remained the same. In County A there was a 7.5 per cent gain, a 12 per cent loss and a 41 per cent loss, respectively.

To compare County A with County B brings out a sharp contrast. County B increased wages over the same period of time by 120 per cent while A gained only 7.5 per cent. County B also lost in the total number of establishments, but only by 4 per cent as compared to the 12 per cent of A. A also had a 3 per cent increase in employment compared to the 41 per cent drop of its neighbor.

TABLE 3

UNEMPLOYMENT COMPENSATION, COUNTY B, 1951–1955

YEAR	NUMBER OF ESTABLISHMENTS	PER CENT GAIN	WAGES	PER CENT GAIN	JANUARY EMPLOYMENT	PER CENT GAIN
1951	262	.0	$5,287,000	.0	7,507	.0
1952	251		6,274,000		8,220	
1953	250		12,695,000		6,770	
1954	249		11,747,000		7,110	
1955	251	–4.0	13,230,000	120.0	7,727	3.0

Iwell is director of the Small Business Institute, SIU.

The extra wages of $5 million for County B above County A will do much to help retail trade in the area.

Retail Trade

In the spring issue of the *Southern Illinois Business Bulletin,* a six-year retail sales study covering the years 1948–54 pointed out that Southern Illinois had a 22 per cent increase in sales compared with a state increase of 26 per cent and a national increase of 32 per cent. For the same period, both County A and County B had a much smaller increase than the area average, but County B was some 11 per cent higher than County A.

A study of sales tax receipts over the period of 1946–56 reinforces the general statements of the previous paragraph. Using the receipts of 1946–47 as a base year, sales taxes for County A have increased 47 per cent in ten years. The state of Illinois increased by 94 per cent and County B upped its receipts by 84 per cent.

TABLE 4

PER CENT GAIN IN SALES TAX RECEIPTS FOR ILLINOIS, COUNTY A AND B, JULY, 1946, TO JUNE, 1956 USING 1946–47 AS BASE 100 PER CENT

YEARS	ILLINOIS PER CENT	COUNTY A PER CENT	COUNTY B PER CENT
1946–47	.0	.0	.0
1948–49	19.2	28.	29.
1950–51	33.3	26.	35.
1952–53	44.0	26.3	52.
1953–54	42.0	17.	36.
1954–55	45.5	15.	43.
1955–56	94.	48.	84.

These same sales tax receipts, when analyzed by classifications of businesses, show decreases in selected areas and increases in others. It would be of interest to know why food retail sales were off in County A when they were up about 50 per cent in the state and 30 per cent in County B. (The distribution of surplus foods might help explain this factor.) Drinking and eating receipts also reduced in County A whereas both the state and County B increased 50 per cent and 20 per cent respectively.

When considering the sales receipts, it is important to remember that the state increased this tax 25 per cent starting with the year 1955–56. This cuts back the large percentage increase for the last year shown and would, in fact, almost neutralize any gain made by County A.

TABLE 5

AVERAGE FAMILY RETAIL SALES FOR 1952 THROUGH 1956.

YEAR	COUNTY A	COUNTY B
1952	$2,177	$2,489
1953	2,275	2,381
1954	2,050	2,222
1955	2,128	2,570
1956	2,210	2,523

From *Sales Management* magazine, estimates were taken in the average family income for Counties A and B.

These figures illustrate the lower buying power of County A vs. County B. This same magazine also shows the percentage relation of county retail sales to total U.S. retail sales. Both Counties A and B show a decrease from 1946 to 56. These figures illustrate their inability to keep sales up to the national level.

TABLE 6

COUNTY A AND B SALES AS PER CENT OF TOTAL U.S. SALES, 1946–1956

YEAR	COUNTY A	COUNTY B
1946	.026	.025
1956	.193	.0229

Public Aid

Closely related to unemployment is the category of public aid. In 1946, only four basic programs of public aid were established. In 1951, disability assistance was added. Figures show a steady decline in the number of recipients for both Counties A and B.

On the other hand, the actual amount of public aid assistance has actually doubled. For example, for January, 1946, County A payments amounted to $118,992 and ten years later, to $203,190, a 71 per cent increase. In County B, the increase was 64 per cent. Further analysis reveals a state average of 9.7 persons out of each 1,000 population are on the general assistance rolls compared to 53.6 persons in County A and 37 per 1,000 in County B. Old age assistance for the state, County A, and County B average out at 121 per 1,000, 248 per 1,000, and 306 per 1,000 in that order. Further analysis could be made to explain the large numbers receiving old age assistance.

TABLE 7

NUMBER OF PERSONS ON PUBLIC AID PROGRAMS COUNTY A AND B, 1946–1956

	YEARLY AVG. ILLINOIS	YEARLY AVG. COUNTY A	PER CENT OF ILLINOIS	YEARLY AVG. COUNTY B	PER CENT
1946	250,617	5014	2.0	4,672	1.8
1947	265,172	5655	2.13	4,854	1.8
1948	273,814	5666	2.06	4,629	1.6
1949	313,521	6708	2.13	5,495	1.7
1950	316,747	6913	2.18	6,867	2.1
1951	274,340	5238	1.90	5,230	1.9
1952	264,921	4847	1.82	4,706	1.7
1953	248,693	4641	1.86	4,176	1.6
1954	269,065	5152	1.91	4,498	1.6
1955	281,985	5287	1.87	4,628	1.6
1956	274,904	4704	1.71	4,309	1.5

TABLE 8

BIRTHS AND DEATHS IN ILLINOIS, COUNTIES A AND B, 1946, 1950, 1954

	LIVE BIRTHS			DEATHS		
	1946	1950	1954	1946	1950	1956
Illinois	170,921	189,628	217,229	88,373	92,260	92,307
County A	360	848	646	448	524	542
County B	1,194	820	794	509	549	554

Births and Population

Illinois has followed the national averages on births, with no general increase each year. County A has duplicated this pattern up to 1950, but since that time, it has consistently decreased. County B has proved more erratic, but is apparently falling slowly. It is generally assumed that births are in direct proportion to the income or economic level existing. The great depression, for example, found a record low of births in the U.S.A. as well as in Illinois, hence you might draw a parallel upon this one factor.

The death pattern is fairly consistent with the over-all picture, i.e., a very slight trend toward increased deaths.

These two factors, births and deaths, along with the influx and out-flux of people, have considerable influence upon population trends. Estimates from the *Illinois Health Statistics Bulletins* show a steady increase in population for Illinois. County A increased from 47,797 in 1946 to 58,375 in 1948. Since that time, its population has slowly decreased to 47,200 in 1954. (This was the last estimate available in the library files.) County B, at 48,553 in 1946 increased to 53,844 in 1949 and has since decreased to 47,200 in 1954. These figures illustrate a sharp rise and fall in County A and more moderate fluctuations for County B. These two county figures reacted closely to the increase or decrease of men on mining payrolls.

Schools

Population increases and decreases will affect school populations. Births also play a part in the enrollment figures. Until just recently, high school enrollments were down due to the decrease in births during the depression.

County A has lost 14 per cent of its school enrollment in the last six years. This again points up the reduction in births and perhaps the out-migration of parents.

County B has lost only 1.6 per cent of its total student population since 1950. The above school figures tend to point out the loss of youth or new blood for both counties at a time when the state as a whole is gaining.

Agriculture

Farms in the state of Illinois have continued to decrease in number—14 per cent less in 1954 than in 1945. County A lowered 29.5 per cent during this same period of time and County B dropped 34 per cent over the same ten years.

Total acreage decreased .4 per cent for the state as a whole from 1945 to 1954, 6 per cent for County A and 8 per cent for County B.

In conjunction with the reduction of the number of farms would be the reduction of operators residing on farms. Over the period 1945–54, the state dropped 15 per cent, County A 32 per cent and County B 35 per cent.

The value of all farm products rose 10 per cent from 1950 to 1954 throughout the state, 18 per cent in County A and 6 per cent in County B. The value of crops sold is related to a great extent upon fluctuations of market prices, but the State rose from $394,124,122 in 1945 to $720,396,816 in 1954, an increase of 83 per cent. County A went up from $568,548 to $2,117,639 or 272 per cent, County B from $327,667 to $2,127,962 or 550 per cent.

To illustrate the variation in crop value, use County A soybean statistics. In 1946, 4,900 acres were planted with a value of $206,900. In 1949, the acreage tripled to 14,800 with a value of $455,500, only a little more than double 1946. In 1953, with acreage of 17,400, a value of $405,600 reveals a great drop in bean prices. Production in this item continues to grow, however, since it is up to 23,300 acres by 1955. (This paragraph must be modified by *acre yield* to be exactly interpreted.)

There appears to be a trend for Counties A and B

TABLE 9

POPULATION ESTIMATES FOR ILLINOIS, COUNTIES A AND B, 1946–1954

	ILLINOIS		COUNTY A		COUNTY B	
Year	*Total*	*Per Cent of* 1946	*Total*	*Per Cent of* 1946	*Total*	*Per Cent of* 1946
1946	8,028,453	100	47,797	100	48,553	100
1948	8,676,000	108	58,375	122	53,401	110
1950	8,753,000	109	48,500	101	48,216	98.5
1952	8,913,000	111	48,300	101	48,200	99.5
1954	9,106,000	113	47,200	98.5	47,200	97

toward increasing agricultural activity, in that the last ten years shows steady increased production in crops. The livestock production is variable, however.

Other Factors

Many other statistics are available, some in great detail and some most difficult to obtain. Omitted from this report are postal receipts, telephone listings, bank deposits, property tax collections versus assessments, vehicle registrations, surplus food distributions, vacant housing, new businesses, defunct businesses, empty business property, and basic utility usage. These as well as items covered in the first portion of this article can be applied according to the local sources of business income. Some statistics are more general in nature, covering greater areas than merely a community or county. In selected cases, annual reports are not available and summaries can only be made by long tabulations and totalings.

Sources of Data

The listing below indicates the general location and/or basic source for much of the data used.

Data	*Basic Source*
Employment	U. C. Division, Ill. State Employment Service
Mining facts	Dept. of Mines & Minerals, State of Illinois
Retail Sales	Department of Revenue, State of Illinois "Survey of Buying Power", *Sales Management*, May, 1957
Public Aid	Monthly report, Ill. Public Aid Commission, Dept. of Public Welfare, State of Illinois
Population estimates, births and deaths	*Health Statistics Bulletin*, Dept. of Public Health State of Illinois
School enrollment	Dept. of Public Instruction State of Illinois County school superintendents and local school superintendents
Agriculture facts	U.S. Census of Agriculture Ill. Dept. of Agriculture
Vacant housing	Local post office
Tax assessments and collections	Local tax body
Vehicle registrations	Secretary of State State of Illinois
Utilities	Local company

All of this information, except for the data on vacant housing, tax assessments, vehicle registrations, and utilities is available in the S.I.U. Library.

Use of Data

Any organization or body of people interested in their community or county should be concerned about its growth and ecnomic strength. A current picture of these data listed will give the people an unbiased look at their area and an idea of where they are headed in the state and national pattern.

Supplementing these data with other local information such as housing available and its rental values, quantity of water and its quality, electricity and gas available, transportation, labor supply and its categories, schools, churches etc. can give a local Chamber of Commerce the material it must provide to any new industrial client or for a sound community brochure.

FARM VILLAGES WITHOUT INDUSTRY FACING DOOM, EXPERT CONTENDS

The rural agricultural village is on the way out, according to the chairman of the Central Illinois Committee on Community Development, a regional affiliate of the Illinois Division of Industrial Planning and Development.

John A. Kinneman says the only rural villages which have been able to hold their own or grow are those that have attracted new industry.

From the Committee's headquarters at Illinois State Normal University, Kinneman cited these main causes for decline in rural population:

1. Larger units of operation on farms supported by greater mechanization.
2. Absorption of the unneeded population in the industrial cities and villages.
3. Smaller farm families.

Between 1930 and 1950, the farm population in McLean County, the largest in area in the state, dropped from 20,896 to 15,325, he said. Other agricultural counties had similar losses.

"Not only has Illinois experienced a tremendous loss of population in the open-country areas but the population of many of the agricultural villages has remained stationary or has declined," Kinneman said.

As an example of the changes industry can make, he cited Roanoke, Woodford County. After the abandonment of mining, its population fell from 1,311 to 1,090 in 1940.

"However, with the introduction of a good factory, preceded by many distinctive community improvements, the village in 1950 had 1,368 and, in 1960, will far exceed this number," Kinneman said.

Shell Oil Company is planning a water flooding project to harvest a second crop of oil from the West Frankfort field. The reservoir, discovered in 1942, has already produced 863,000 barrels, but engineers believe another million barrels can be recovered by flooding.

U'S TECHNICAL, ADULT PROGRAMS RANGE FROM ART TO WELDING

By Ernest J. Simon

The Technical and Adult Education Division of outhern Illinois University serves two distinct oups—adults, and high school graduates who ant to qualify for employment at the semiprofes- onal and technical level in industry and business. Through night courses, adults have an oppor- nity to increase their skills and thus upgrade emselves in their chosen fields.

Young people are given the chance to train for teresting careers which do not require a four- ear college background. The Division's Vocational- echnical Institute provides one- and two-year ter- inal programs for high school graduates interested occupations at the technician level—positions in usiness and industry between the skilled workers production and the engineer or professional man. he technician who works with both groups has come a vital link in industry and business.

The technician in industry translates plans into e operations of many workers and performs tech- cal processes. Business and professional people doctors, engineers, dentists) also require assistants serve as aids, laboratory workers, and executive sistants.

Two-year programs in technology leading to an sociate degree are designed to give students broad undations in special subjects in the technical field well as sufficient knowledge of theoretical prin- ples. Courses in general education are also in- uded.

---

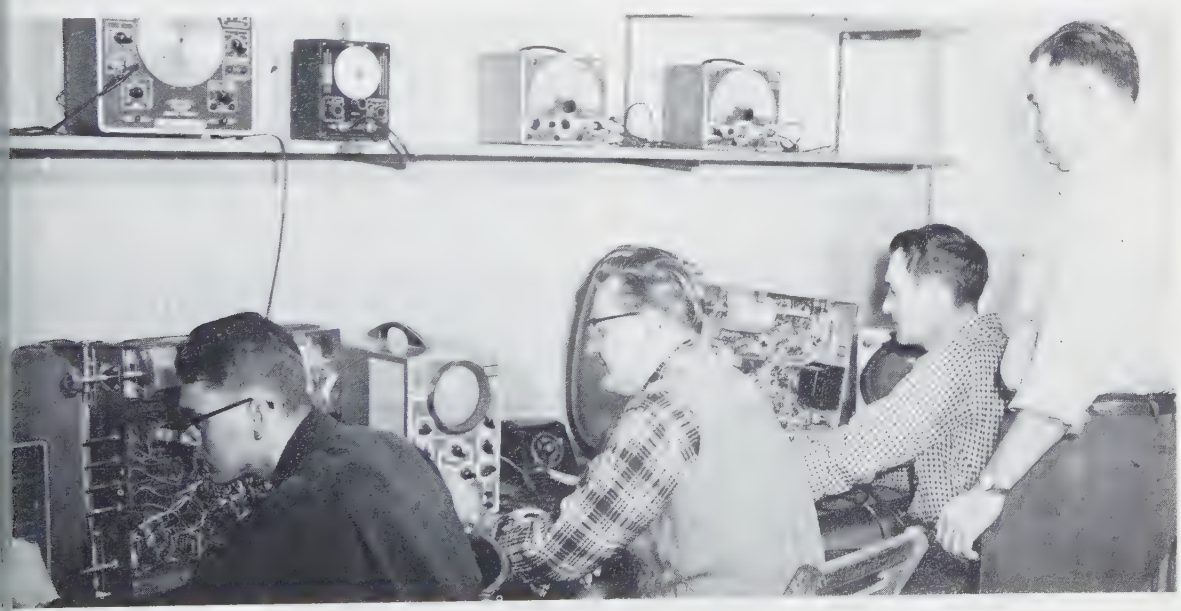
non is dean of the Division of Technical and Adult ucation, SIU.

Graduates are qualified for positions as estimators, servicemen, factory representatives, draftsmen, engineering aids, commercial artists, and as technicians in the fields of electronics, radio and television, building construction, dental laboratory, industrial woodworking, machine tool and design, and printing.

Laboratories and shops are equipped with modern instruments and machines comparable to those used in industry and reflecting the needs in technical employment.

A high school graduate who is interested in a technician-level career in the machine tool industry, for example, will receive laboratory courses in machine tool practice during each of six quarters of study, working on every type of machine found in the modern industrial establishment. He will also receive related technical instruction in quality control, materials and processes, garage theory and design, grinding processes, design of small tools, jigs and fixtures theory and design. Throughout his two years at the VTI, his classroom schedule will include courses in math, English, psychology, government, physics or chemistry, speech, management, labor problems and other subjects.

The following two-year technology programs are offered: industrial wood technology; architectural drafting and design; automotive technology; building construction; commercial art; dental laboratory, machine drafting and design; machine tool; printing; and radio and television. Comparable two-year curricula are offered in the field of business leading to an associate-in-business degree in accounting, court reporting, insurance, and in executive, medical, and legal secretarial work. There is also a co-operative retailing program divided into apparel, department store, food, and hardline merchandising.



Machine Drafting and Design

One-year programs are available in bookkeeping-clerical, calculating machines, cosmetology, practical nursing, stenographic, and welding. Students awarded certificates in the practical nursing and cosmetology fields are eligible to take examinations for licensing in the State of Illinois.

The Adult Education program, established in October, 1950, consists of noncredit courses in various vocational, technical, and general education fields designed to provide unlimited types of educational opportunities for adults.

This year, some 5,742 persons have taken advantage of S.I.U.-sponsored late afternoon, evening, and Saturday classes in sixty-three communities to study everything from American poetry to machine tool design for employed machinists. Each course ranges in length from eight to twelve weeks, with classes meeting two to three hours weekly.

These tailor-made courses are as varied as the interests and needs of the adults served. Courses aimed at assisting people to do their jobs better or to gain skills and technical knowledge for advancement to better positions are offered for coal miners, plumbers, carpenters, construction foremen, machinist, auto mechanics, retail and office workers, nurses, bankers, insurance brokers, union business agents, welders, sales personnel, and farmers.

The Adult Education program also features many intensive short-courses each year, including kiln-drying seminars for hardwood lumbermen, a two-week school for prospective junior bank executives, a two-week advanced cosmetology school, and a series of one-week schools for Rural Electrification linemen.

Adult offerings are often geared to the needs of a particular group. A two-year Industrial Management program in the East St. Louis–Granite City–Alton area, co-sponsored by the East Side Manufacturers Association, is an example. Foremen and supervisory personnel employed in industrial plants of the area are attending a series of eleven courses in practical psychology for supervisors, effective speaking, metallurgy, labor management relations, industrial economics, industrial engineering, industrial report writing, and so forth. Completion of eight courses is required for a diploma in Industrial Management.

The adult education program is designed and equipped to perform its various types of educational service anywhere in Southern Illinois. Courses are taught by regular staff members obtained from every division and school of the University, and by carefully selected specialists from the ranks of business, industry, and the professions.

Southern Illinois Briefs

(*Continued from page 6*)

Southern Illinois Steel Products, Incorporated, celebrated its second year of operation at Metropolis at a dinner where the company's expansion plans were revealed. The firm is now fabricating steel for more than $70,000 worth of contracts and is employing twenty-two men.

Plans for the future include a warehouse division. With the expansion, it is expected that the number of personnel will be increased considerably, according to company officials. President of Southern Illinois Steel is F. A. Jones.

—o—

The Salem Industrial Fund Drive is nearing the halfway mark toward its goal of $50,000. Shares of stock are being sold at $10 each to help in the campaign to attract new industry to Salem.

Part of the fund is earmarked for financing a new building for Vac-U-Liff Corporation, recently purchased by the Siegler Corporation and now in the process of expanding to triple its present operation.

—o—

The Cobden Tomato Co-operative has come into its own in the past two seasons and its produce, marketed under the name Pyramid Brand, is becoming known to large buyers throughout the nation, according to a recent article in the *Cobden Review*.

The Co-op grew out of a need for better facilities and it enables the farmers to wash, wax, and package their produce under a single brand name.

Each member pays an initial membership fee toward funds for equipment and then a uniform fee per package toward operating costs. The plant equipment includes a Pink Packing Machine, largest ever made by the Tri-Pack Machinery Service of Texas and by far the largest in this area.

Each member is responsible for growing, picking, and delivering his tomatoes to the shed. His produce is then marketed completely under the Co-op grading. Proceeds are pooled daily, and each grower receives the same prices by grade.

"TIGHT MONEY" POLICY HITS FEDERAL GOVERNMENT BORROWING

By Robert G. Layer

The press of the nation has printed hundreds of tories concerning President Eisenhower's budget nd its "adjusters" in both houses of Congress. At he same time volumes of testimony have been ccumulated in Congressional hearings over the ssue of tight money. The marriage of these two roblems is illustrated in the relationship between he composition of the national debt (debt of the ederal government) and the constant need for its inancing.

On December 31, 1956, the national debt stood t $276.7 billion. On the eve of World War II the ebt was less than $50 billion. Even the government epression-spending of the 1930's added less than 33 billion. Thus, from the days of the depths of the epression the debt has risen roughly $250 billion, lmost all of which is the result of spending for past, resent, and future wars.

Today 75 per cent of the federal government's xpenditures is for war (including national security, eterans' benefits, and interest). It is chiefly war xpenditures which keep the federal government rom being able to accumulate any sizable surplus vith which to pay off an appreciable amount of the ebt's principal. Congressmen would consider it olitical suicide to suggest that taxes should be ncreased to the point where they could provide uch a surplus. Consequently, it is not probable that he debt will be scaled down significantly or soon.

In addition to the fact that the debt is higher han ever before, there are two other important ifferences between the U.S. economy of the 1930's nd the present day: (1) In the early thirties inter- st rates began a long-run decline which lasted until little less than two years ago, and (2) the economy f the early thirties was "cursed" with a total output f far less than capacity.

In order to encourage business borrowing during ne depression years, Federal Reserve authorities ventually instituted an "easy money" policy. During Vorld War II, they felt obliged to support the rice of government securities at artifically high rices (low rates of interest). Today neither situa- ion obtains.

During the ten years after 1929, the government epression-spending which added $33 billion to the ebt had two major effects: On some occasions it aised prices; at other times it helped to encourage utput. Although inequities, hardships, and ill- tarred government schemes oftentimes were a by- roduct, it is generally conceded that the economy ad made at least a partial recovery in over-all pro- uction by the eve of World War II. But the import- nt point to note here is that there was, in 1941, till room for an enormous additional rise in real utput (as contrasted with merely a price rise).

)r. Layer is chairman of the Department of Economics at IU.

World War II, the Korean conflict, and the huge buying spree of the average American since 1945, have largely erased the short-run expansion potential of real output with the result that every person and institution (including the government) wants to purchase a much greater total quantity of goods than possibly can be turned out at one time. The economy's "safety valve" is the price system which registers these pressures through such devices as cost-of-living increases.

Tight Money and National Debt

Now what does all of this have to do with tight money and the national debt? The answer becomes clear when we understand that Federal Reserve authorities are trying to prevent price increases by limiting the amount of credit money all of us can get. The chief tool selected for this purpose has been an increase in one thing which can help to stop inflation, i.e., the cost of money.

Almost everybody knows that the world's biggest borrower has been, and is, the U.S. Government, but what is news to some people is the fact that a very large share of the total debt must be re-borrowed almost from month to month! The federal government is in somewhat the same position you would be if you had to refinance the loan on your car or the mortgage on your home every three or four months. Of course this is an overstatement because the government has other powers you do not have, e.g., the power to levy taxes and print money. But, on the other hand, it does illustrate the nature of the urgent demand for money the U.S. Treasury exerts on the money market.

It is easy to measure the force of this continual demand for money when one sees the size of the amounts which must be raised on short notice. Of the total debt of $276.7 billion on December 31, 1956, a minimum of $71.2 billion could be counted on to come due this year! Actually the amount for the year will be much higher because the $71.2 billion figure does not include the nonmarketable part of the debt such as the Series "E" bonds which will have been presented for redemption. The Treasury, in having to seek so much money over so short a time, must pay the going rate of interest—now at an all-time high since the early 1930's. For example, July 18 of this year, the U.S. Treasury announced that it would refund $24 billion of government I.O.U.'s coming due between August and October.

The following is an illustration of how tight money affects the federal government in this particular case: Some $12.1 billion of the $24.024 billion in I.O.U.'s had been borrowed at 2 3/4 per cent; 3.8 billion at 2 per cent; 7:3 billion at 3 1/4 per cent, and .824 billion at 1 1/2 per cent. Therefore, the $24.024 billion in principal has been costing the government $665.36 million per year in interest charges.

This same $24.024 billion at the new (July, 1957) rate of approximately four per cent will cost $960.96 million in interest. The increase in cost of

(Continued on page 16)

PUBLIC POLICY AFFECTS MARKETS FOR FARMERS HERE AND ABOARD

By Walter J. Wills

Most discussions of farm policy center around commodities, the level and type of price supports, and production programs.

Agriculture in the United States is often referred to as if it were an industry facing a common problem with *one* solution. But different problems exist in different areas of the country and a solution that is considered highly satisfactory for one group of farmers may be entirely unsatisfactory for another. For example, grain farmers may want high rigid supports for feed grains, while livestock farmers may favor no supports for feed grains. The hog farmer looks to Cuba as a major lard market, but the cane and beet sugar producers are opposed to increased sugar imports. Examples of the conflicts of interest can go on and on.

In addition to price levels, farm policy is reflected in a number of laws, regulations, and policies such as farm credit, water policy, power, land tenure, and other items of this nature.

Marketing is a vital part of our complex agriculture. The scope of policies as they affect marketing often are as far-reaching in their influence on income as the more common consideration of price level.

Following are a few examples of public policies as they affect various aspects of marketing. For convenience, these problems are listed under four headings. The list is indicative of types of problems.

Price Support Programs. Price support programs, in addition to affecting income and price at the farm level also may have varied effects on efficiency of the pricing system and of the marketing facilities. For example, in some areas of the South the restricted cotton acreage means surplus gin facilities. Will this unused capacity be needed within a few years for cotton, or should the owners plan to convert the facilities to some other use?

Agricultural programs sometimes encourage shifts of production, such as cotton land to grains, hay, or livestock. New marketing facilities, in the form of elevators, livestock markets, and transportation, must be developed to handle, transport, and store this expanded and diversified production. Risk capital may be required and be available only at a high premium. Thus, marketing costs for identical services may be higher in the newly expanded area than in areas where capital for these services is less expensive.

In some cases, the progams may result in construction of market facilities that would be used at less than capacity under conditions where substantial storage would not be required. Who is to bear the cost of this under-used capacity? Marketing institutions, under such conditions, may find themselves advocating programs that will encourage storage rather than use so that their facilities will not remain idle.

Price support programs have disrupted long-established market outlets and once such markets are lost they may be difficult to regain. For example, the southeastern United States was once an important outlet for Pacific Northwest soft white wheat. Price support levels caused this market to be lost to the Midwest soft red winter wheat. A high cotton support price made our export price sufficiently high that cotton production was expanded in other countries, such as Egypt, Mexico, and others. Thus, segments of our foreign market are lost to these competitors and this market may be difficult, if not impossible, to recapture.

Marketing Orders and Agreements. The Agricultural Marketing Act of 1937 provided for federal marketing orders and agreements. Under the provisions of this Act we have nearly sixty federal milk marketing orders and about thirty other federal orders or agreements. These programs were designed to encourage "orderly marketing." There are also a number of state marketing orders, exemplified by the New Jersey and the Virginia state milk control boards and the California state orders on many fruits and vegetables.

Orders for the milk industry generally attempt to establish more or less automatic devices for determining price according to use. But this solution to a price problem does not provide the complete answer to such questions as (1) To what extent are we producing milk in areas of least cost? (2) Have these programs encouraged the development of manufacturing facilities in areas that cannot warrant them under a less controlled marketing situation? (3) What effects have various types of orders had upon per capita milk consumption? (4) In areas where chaotic marketing practices exist, would an order reduce the development of inefficiency producer-distributor operations?

As government programs influence the type and location of production areas and marketing facilities as well as the nature of the market, their bearing on marketing costs may be as important to the farmer in the long run as the more easily seen direct effect on price.

A marketing order may stimulate production to the point of reducing income to growers, thus defeating the intent of the order. The nature of inter-regional competition may be so delicately balanced that a small change in marketing requirements may bring about striking changes in areas of production.

For many years, Florida early tomato growers felt that imports from foreign growers (Cuba and Mexico) should meet the restrictions provided by the Florida tomato order. Farm policy in such instances becomes implicated with foreign policy.

State and Federal Regulations. Marketing practices are influenced by a number of federal

---

Dr. Wills is a professor of agriculture at SIU.

gulations. The tightening of regulations by the ure Food and Drug Administration on wheat to be sed for food, for instance, necessitated improved andling practices and storage facilities to protect ie grain from insect and rodent damage and con- minations.

State and local regulations such as weight and ze limitations of trucks, some of the "health" regu- tions, or ordinances pertaining to fluid milk, and her restrictions of this nature which are designed protect local interests may react as barriers to terstate trade.

Many regulations are designed to protect the con- mer, the producer, or other groups. With chang- g economic conditions the adequacy and the cur- ent need of the protection must be considered. For xample, are the bond requirements of commission rms adequate to protect sellers? Do federal grade andards have meaning to consumers? Are health quirements too high for practicality?

These examples of problems in this area illustrate at federal, state, and local regulations may deter- ine the extent of the market which, in turn, will rectly affect prices.

States and the federal government have co- erated in developing timely market information r agriculture and industry to supplement the herwise limited information on prices, production, d storage. These data help farmers plan their pro- uction program during the year; they help the arketing firms schedule their activities to better dvantage; the consumer is benefited because a sis is provided through which supplies may be anneled toward a more efficient system of distri- ution.

CTION TO INCREASE CONSUMPTION. The ultimate al for farm production of food and fiber is con- mption or use. Increased usage of farm products ould yield the farmer higher net return on his oduction.

The government has fostered a number of pro- ams to encourage consumption, such as the school nch program and the special school milk program. ese programs have two objectives: first, to im- ove the level of nutrition and, second, to move rplus farm production into consumption channels. nly limited information is available as to the nount of this product movement that is new, or ded, consumption and the amount that is replac- g normal usage.

The food stamp plan, a type of two-price plan r consumers has been employed to move food sur- uses. In effect, people in one income group paid e price and those in a lower income group paid lower price. There remains some agitation for return to such a pricing method. If such a plan re set up with a primary objective of better nu- tion, it would increase the market most for those oducts boasting the least "surplus"—livestock oducts, and fresh green and yellow vegetables.

Farmers and agricultural marketing and proces- g firms are contributing millions of dollars to various promotional efforts, either on a voluntary or compulsory basis. This gives rise to such questions as these: What is the best way to develop markets? Because one method works with one commodity, will it work with all commodities? What should be the relationship between funds spent for advertising and those spent in product development or other types of research?

Enabling legislation has been enacted in many states to permit educational and promotional programs for specified products. The Washington State Apple Commission, and the California Cling Peach Advisory Council are two of many examples. After a majority of producers have agreed, it is mandatory that all who produce contribute designated amounts to finance these programs. In 1955 similar federal legislation was passed requiring farmers to contribute to a fund to be used for wool promotion.

About ten per cent of U.S. agricultural resources are used to produce for export. For many of our agricultural products foreign trade is a substantial part of total production. For example, about two-fifths of our rice and lard and one-sixth of our grain sorghum production is exported. One of the factors in developing export markets is price. If support price is above the world price, U.S. products may be priced out of the market, at the same time encouraging foreign production. Thus, former importing countries are now producing for export.

To offset price differences between domestic and foreign prices, the International Wheat Agreement permits the government to subsidize wheat exports. This subsidy amounts to about fifty to seventy-five cents per bushel depending upon class of wheat and ports of origin and destination.

Farmer's Stake in Foreign Trade

The ability to pay is another consideration in developing foreign markets. Until after the Korean War, U.S. exporters generally insisted upon payment in dollars. The primary source of dollars to foreign purchasers is export of goods and services to this country. If foreign agricultural markets are to develop, farmers must have an active interest in such things as tariff rates, reciprocal trade agreements on agricultural as well as nonagricultural products both at home and abroad.

Legislation now permits the sale of many commodities for foreign currencies which, in turn, are often invested in the buying country. This may be effective for a couple of years, but in the long run is this technique developing new markets for our products? About 20 per cent of our agricultural exports are sold for foreign currencies and, for many farm products such as wheat, feed grains, and rice, this figure is even higher.

The agricultural interests of countries having grossly insufficient food supplies reject the easing of their problems of scarcity by any program which would alter their own farm programs. Therefore, surplus food products cannot readily be presented as gifts from a well-nourished nation to a hungry one.

There are other aspects of foreign trade such as quality, dependability of supply, its effect on the resourcefulness of the people, the ICA program, and others that should be considered. They all are important in analyzing the extent of our market, price, and changes in marketing patterns and facilities.

Conclusion

In discussing public policy as it affects agriculture there is a tendency to think only of the level of price supports. Many other aspects of public policy should also be considered. Marketing problems arise from price support programs, marketing orders and agreements, regulations, and governmental action to expand markets.

Government programs need analysis in line with well-defined objectives, and the assumptions that support them need understanding and recognition so that it may be determined how various actions will affect the extent of our market, its methods, adequacy, costs, and prices.

TIGHT MONEY

(*Continued from page 13*)

this one refunding operation—a mere nine per cent of the total national debt of 276.7 billion—will amount to $295.6 million a year.

The hard, biting conclusion must stand: Tight money for one means tight money for all. The only alternative is a depreciation of the dollar through easy money and higher prices.

WOOD PULPING POTENTIAL

A 32-page booklet describing this region's advantages for wood pulping plants has been prepared by the Carbondale Research Center of the Central States Forest Experiment Station and Southern Illinois University's Area Services Division.

The booklet, containing photographs, maps, and charts, discusses timber resources in Southern Illinois and parts of Indiana, Kentucky, and Missouri and considers labor supply, transportation, power resources, and other factors.

The publication is a "prospective for a specific area in the central hardwood region where all the factors necessary for the successful establishment and operation of hardwood pulping plants are adequate."

—o—

Ralph Bedwell, director of SIU's Small Business Institute, has been invited to the first national conference on Technical and Distribution Research called by President Eisenhower for September 24–26 in Washington.

The meeting is geared to helping small businessmen use modern methods for improving products and sales.

NEW WABASH ASSOCIATION

Articles of incorporation for a Wabash Valley Association have been adopted by representatives of cities up and down the Wabash River. The purpose is to promote development of agriculture, industry, and educational and recreational facilities in some forty-two counties on both the Illinois and Indiana sides of the river.

The Association, similar to the Mississippi Valley Association, is designed to carry out plans and recommendations made after intensive studies by committees from the University of Illinois, Indiana University, and Purdue University.

At an organizational meeting in Mt. Carmel in August, more than one hundred mayors, Chamber of Commerce directors, and prominent businessmen were told that the Wabash Valley will inevitably develop into one of the nation's industrial centers.

Professor Joseph A. Russell, head of the Department of Geography of the University of Illinois, said the area has been endowed with a combination of climate, good soils, terrain without important barriers to the development of transportation, a good supply of many important industrial raw materials, and an already established industrial structure.

The St. Lawrence Seaway, Russell said, will effect a tremendous stimulation on the entire Midwest as well as the Wabash Valley, and the peoples of the area must anticipate the needs of their communities under that stimulus and be prepared to handle those needs.

Armin Ludwig, another member of an all-University committee studying the Wabash Valley with the Indiana universities, said the area had a good available water supply, and that the intelligent development of the water resources of the valley would not only bring more industry but would make possible better flood control, irrigation, navigation, power, and recreational facilities.

The Wabash Valley Association set dues of $10 for each individual member and $50 for each group member.

GOODYEAR SALES APPROACH

The Goodyear Company provides a pocket card for all of its member groups which discusses "Eight Good Reasons Why People Buy From You." Here they are:

"(1) You give them a *friendly greeting*, (2) You show an *interest in their problem*, (3) You help them make the *right selection*, (4) You *know your merchandise from A to Z*, (5) You *show and demonstrate the benefits enthusiastically*, (6) You give them the *highest quality at a fair price*, (7) You give them a *choice between something and something*, (8) You never fail to *thank them for their business*."

N O T I C E

THIS VOLUME IS INCOMPLETE

THE FOLLOWING ISSUES ARE NOT AVAILABLE:

VOL. 8 NO. 1 WINTER 1958

BINDING UNIT